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State Dept. review completed

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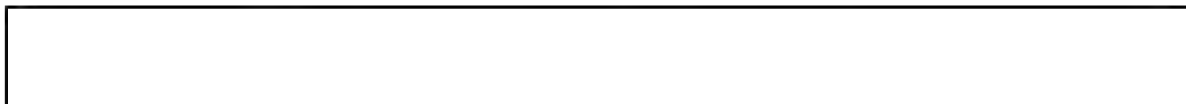
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USSR-FRANCE

Both Moscow and Paris are referring to Soviet party leader Brezhnev's visit to France as routine. Brezhnev's visit officially begins tomorrow, although he arrives in Paris tonight.

No major agreements are anticipated, but both sides will use the occasion to discuss additional bilateral economic cooperation and to lay out their positions on such issues as the European Security Conference and the Middle East. One of Brezhnev's main purposes will be to gain personal rapport with President Giscard and thereby round out his effort to establish relationships with the new leaders in the West.

The Brezhnev visit is the fourth "working" meeting since early this year, when the late president Pompidou flew to Minsk. These meetings have usually been opened with discussions on the desirability of expanded economic relations. Giscard will be very much at home in this area; during his tenure as finance minister and co-chairman of the binational Grande Commission, he met annually with his Soviet colleagues to discuss economic matters.

Brezhnev and Giscard will sign recently negotiated agreements on long-term economic and industrial cooperation. They may also sign an accord on export credits. The two sides have discussed terms for a cultural agreement, but it is not yet clear whether they will be able to present a text for signature.

On the international front, the Soviets will probably obtain formal French support for an early summit-level conclusion of the European Security Conference. Giscard has already endorsed this position in his speeches and press conference statements. The Soviets may find it difficult, however, to get the French to make any concessions on the humanitarian issues that have been prolonging the second stage of the conference.

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The two sides will continue their dialogue on the Middle East and will probably make some joint statement in support of the Arabs and the Palestinians. The Soviets may seek further information on the planned discussions between the European Community and the Arab states. Brezhnev will probably trot out various Soviet disarmament proposals for Europe and brief the French on the recent Vladivostok summit, but Giscard is unlikely to commit France to any schemes for arms limitation or disarmament.

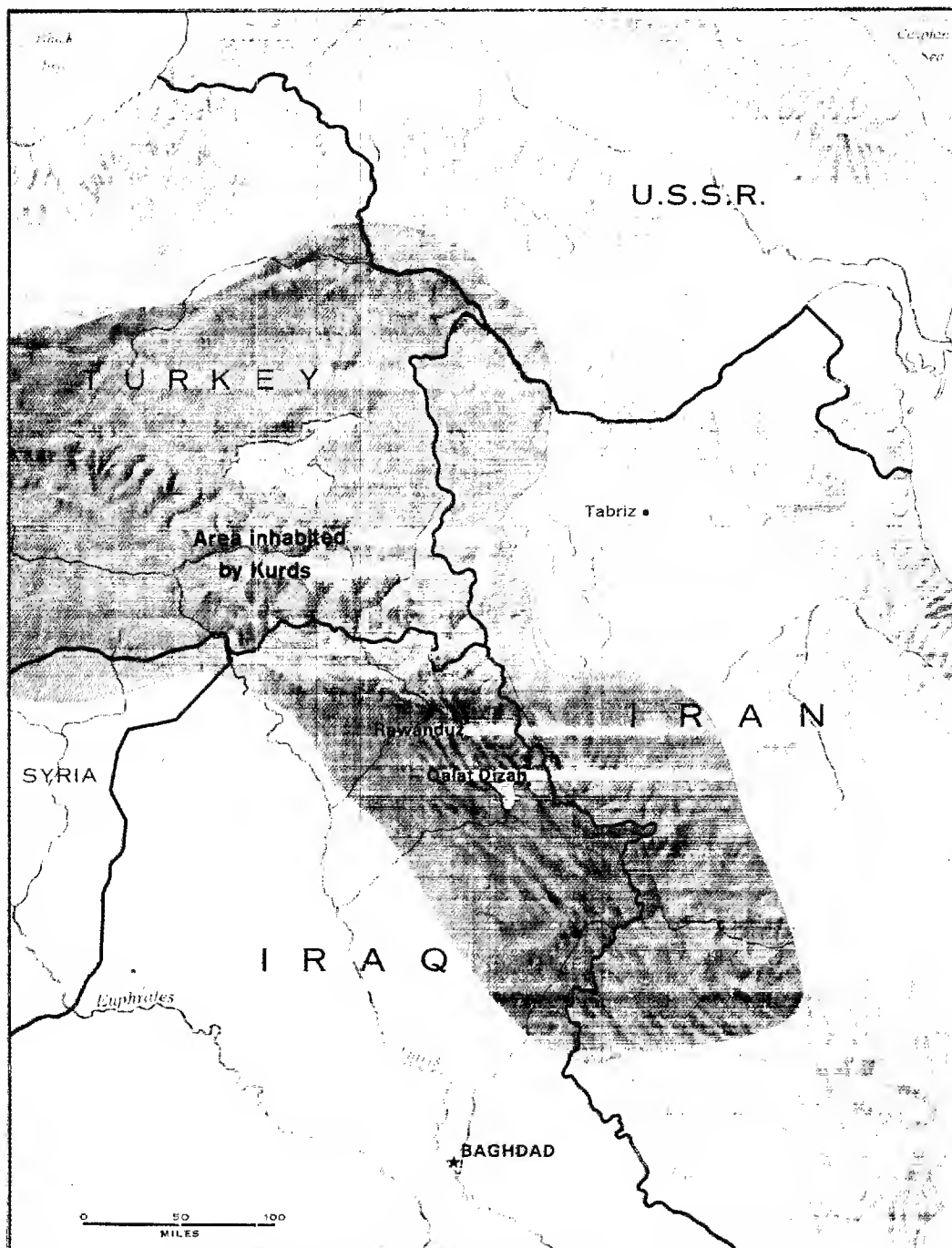
The French are speculating that Brezhnev will find the occasion while in Paris to meet with French Communist Party leader Marchais, in an effort to convince him to end the alliance of the French Communists with Mitterrand's Socialists. Such a meeting could be quite risky, however, and Brezhnev may be reluctant to open himself to the charge of meddling in French politics.

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IRAQ

The Iraqi offensive against the Kurds in northeastern Iraq is coming to a halt, according to the US consul in the northern Iranian city of Tabriz. The Iraqis have been unable to make significant advances since they took two Kurdish towns in late August, and the arrival of winter rains and snow is hampering air and armor operations.

Most of the recent action has centered around Rawanduz, where the Iraqis have been trying to break out of the surrounding basin toward the Iranian border. Despite some limited success, the army has been unable to move more than a few kilometers from the town.

The consul, who toured the border last week, reports that Kurdish morale is good. The rebels continue to control most of the area around Qalat Dizah, and are being supplied regularly over a new road built and maintained by Iranian forces. Iranian artillery support has driven Iraqi troops from the town.

Local observers expect the course of the Iraqi campaign to proceed much like those in the past--gains by the army during the summer months, followed by setbacks and stalemate with the onset of winter.

Baghdad, however, is taking steps to break this cycle. The army has constructed winter fortifications in hopes of withstanding expected Kurdish counterattacks.

the Iraqis have about 100,000 well-equipped regulars in the area. This force is augmented by a large number of irregulars, who are also well supplied for the winter.

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IRAQ

There are a number of indications that President Bakr is seriously ill. His absence from public view for more than two weeks and his failure to perform official duties are fueling rumors in diplomatic circles that Baath Party strongman Saddam Husayn Tikriti may soon assume the presidency. This transition would probably be untroubled, although the loss of Bakr's support in the military may create some difficulties for the regime.

Bakr has been in poor health for some time, but the precise nature and extent of his ailments have never been disclosed. He is known to have severe diabetes and may be suffering from an acute heart problem that would require a long convalescence.

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During the past two years it has become increasingly clear that Saddam Husayn is the dominant figure in the regime by virtue of his control of the ruling Baath Party and the party's strong security apparatus. Saddam Husayn had his way in shaping the new cabinet last month-- a clear sign he is making the major government decisions.

There seems to be no legal obstacle to Saddam Husayn's accession to the presidency if Bakr is incapacitated. In addition to his party job, Saddam Husayn is vice chairman of the ruling Revolutionary Command Council. The provisional constitution stipulates that the vice chairman of the council replaces the president in the event of disability. Saddam Husayn would then be confirmed by the council, which he controls.

If Bakr leaves the scene, Saddam Husayn's long-range problem of retaining the loyalty of the military may become difficult. None of the leading figures in the regime commands the respect in the army that Bakr enjoys. More immediately, the regime may have difficulty containing growing military disaffection with the nine-month-old Kurdish war, particularly in view of the stalemate brought on by winter weather.

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CHINA

The opening of the National People's Congress reportedly has slipped to early 1975. Earlier reports and statements by ranking Chinese officials had suggested that the congress would be held before the end of this year. An important reason for this further delay is apparently the continued difficulty in selecting delegates in a few provinces because of party factionalism. Additionally, the process of removing military personnel from government positions is still not complete, and a host of other personnel and administrative problems remain.

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This latest failure to hold the long-overdue congress indicates that considerable political disunity stemming from the Cultural Revolution and the Lin Piao purge still exists, both in Peking and the provinces. Peking's divided leadership will either have to reach some further accommodation of their political differences, postpone the congress again, or, as in the case of the 10th Party Congress last year, convene the meeting, despite political disunity.

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MALAYSIA

Student demonstrations in Kuala Lumpur in support of earlier protests by rural landowners are causing concern within the government. Some 1,000 students staged a protest yesterday against high prices and foreign control of the country's rubber estates.

Police dispersed the demonstrators with tear gas and arrested some of the students. There were apparently no casualties.

The students are trying to exploit discontent among small landowners in northwestern Malaysia who have been protesting against depressed rubber prices and the rising cost of living since mid-November. Although a few of the rural demonstrations have had anti-Chinese overtones, and some Chinese are apprehensive, the demonstrators have focused on strictly economic issues, and serious communal violence, as occurred in May 1969, seems unlikely at present. The riots in 1969 had their roots in Chinese-Malay political frictions that were complicated by election campaigning. The government is trying to meet some of the landowners' demands, and a slight increase in rubber prices in recent days may help to defuse the protests.

The government undoubtedly will continue to take a tough line toward the students. Some student leaders reportedly are planning further demonstrations, but the US embassy believes the small landowner issue does not have widespread support within the student community.

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ARGENTINA

The government has continued to achieve significant results in its stepped-up counterterrorism campaign, undertaken after a state of siege was declared on November 6.

In Cordoba, historically a hotbed of antigovernment extremism, the chief spokesman for the administration has declared that "terrorism has virtually disappeared." While this is essentially self-serving propaganda, the terrorists in Cordoba Province have indeed been dealt a severe blow by recent police actions, which resulted in a large number of arrests and the discovery of arms caches and safe sites.

In the northeastern provinces, over 200 terrorists have been captured, including the two leaders in the area and many members of the most dangerous terrorist organization, the People's Revolution Army (ERP).

As an indication that the ERP has been hurt nationwide, the organization's paper, Red Star, recently published only a half-page recapitulation of its activities. Previously it had filled three pages with news of its accomplishments.

The ERP is still capable of selective terrorism, however, as evidenced by the killing of an army officer and his young daughter in Tucuman on Sunday. He was the ninth victim in the ERP's assassination campaign against army officers.

The government's successes are attributable in large measure to the wider powers of arrest and detention permitted under the state of siege and the improved coordination between armed forces and police. While the army has not been committed to a counterterrorist role, troop deployments have been made in support of police operations, [REDACTED]

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Although the government has succeeded in putting the terrorists on the defensive for the first time since the Peronists took power in May 1973, the leftists' terrorist threat has by no means been eliminated.

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MEXICO

Lucio Cabanas, Mexico's number-one rural guerrilla leader, was killed in a clash with army troops on December 2. Some 20 of his band also were said to have been killed.

Cabanas had eluded authorities for years, but the army began to close in on him after he kidnaped a wealthy senator last May. The senator was freed during a gun battle in September.

Many peasants in the rural southwestern state of Guerrero sympathized with Cabanas. Some villagers who allegedly assisted him, according to some reports, have been brutally intimidated by army troops.

Cabanas' death will be a severe blow to his "Party of the Poor." Bitterness over harsh treatment by the army is likely to linger for some time, however, and new guerrilla and bandit leaders in the area will probably take up Cabanas' cause.

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PERU

A cabinet minister and another general were wounded by gunfire in an apparent assassination attempt Sunday night, according to press reports. Prime Minister Mercado, possibly the primary target of the attackers, escaped injury.

Dissident middle-class groups or disgruntled naval officers may have been behind the incident. The officers are disturbed over President Velasco's radical policies and his handling of retirements in their service; they reportedly have been involved in other recent terrorist attacks. The incident, the first such move against a high-ranking officer, can only increase the already tense atmosphere in Lima.

The attack will be particularly unsettling to the government as it prepares to host a meeting of several Latin American presidents later this week. With this in mind, Velasco can be expected to make every effort to maintain an atmosphere of business as usual.

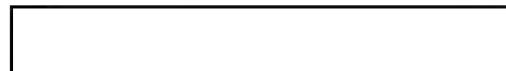
Terrorist attacks, which may well become more frequent, are unlikely to cause Velasco to moderate his policies. He will probably take strong action against further violence.

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